

when he only has to ask for a thing to get it, to sell lumber milled in British Columbia would be impossible as the markets of the world would refuse to purchase except at competitive prices. It would be cheaper to import lumber from other places, even when duty had to be paid.

#### Unable to Compete.

Under present circumstances the conclusion is always the same. Prices would rise to a prohibitive level, not because there was any scarcity in the supply, but because the cost of labour would be so great, or the protective duty so high, that the state would be unable to manufacture in competition with states where cheaper labour prevailed.

If the western world wishes to follow the present trend of economic conditions to their natural conclusion it has only to cast its eyes on the eastern world where in a few years time all the products of the western world will be manufactured in competition with and far cheaper than in the present industrial centres.

It is an error to suppose that socialism is something new or a policy that has arisen purely under stress of modern industrialism. The socialistic conception of existence, the so-called practical socialism of the reformer as well as the Utopian theory of the dreamer, has existed since man was able to think. Two thousand years ago China adopted a form of government that almost exactly parallels the ideals preached from a hundred platforms today, with the result which history relates. The Persians, the Egyptians, the Greeks, the Romans all passed through phases of socialism. Today owing to universal education or a kind the same teachings are more easily spread and more easily assimilated. "A little knowledge is a dangerous thing" and the attractiveness of socialism to the superficially educated and discontented wage earner is undeniable. Few socialist orators ever work out their theories to a logical conclusion and the audience is not expected to do so. It would involve a study of economics and the law of exchange.

#### Syndicalistic Theories.

Another theory regarding the law of property has recently been promulgated by the syndicalists. Property according to this theory will not belong to the state but to the men who work it. That is a coal mine would belong to the coal miners. Here again the logical outcome is ignored. The men would be shareholders and would have to elect their managers. The mine would be in competition with other mines and the most efficient would pay the best. The officials would take the place of the present managers and in a year or two the men would be worse off than before, having exchanged one set of competent officials responsible to a company, for a set of officials who would be responsible to no one. In all this flotsam and jetsam of half formed theories one fact is ignored and that fact is perhaps the most salient of all. How many coal mines, railways and other large concerns are owned by any one person? Possibly at most ten per cent. The rest are owned by the shareholders, each according to their investment. And who in the majority of cases are the shareholders? Those whose thrift has enabled them to save sufficient to invest in whatever kind of security they deem the best. It is the so-called middle class whose savings are so largely invested all over the world and it is this class which is at present between the Scylla of capital and the Charybdis of labour.

I have assumed that in the case of the workmen owning the mines there would be no question of credit. Yet this question of credit is fundamentally one of the most important in the relationship between producer and consumer. The workers of the mine must be paid in some form or another and the product of their labour alone can be the means of payment. There must be a dealer in coal to sell the coal to the consumer, and the dealer, during the period that elapses between the moment the coal is mined and the moment it is consumed, is hardly likely to pay for his orders in cash.

#### Loss by Strikes.

As an illustration of the superficial conclusion arrived at by even well educated and intelligent people a conversation between some men in a restaurant amid the British coal strike proves interesting. Discussion had turned on the amount of money lost in wages which was said to be about \$50,000,000 in the first three weeks of the strike. "But," said one, "that money is not really lost, it is merely not paid out to the workmen."

"Yes," said another, "of course the money is there just the same. The workmen may have lost it in wages and the shopkeepers in the loss of purchasing power. The wages have not been distributed, that's all. The money is not lost." And not one of the five men discussing the question contradicted the fallacy.

Now when intelligent people jump to such a conclusion is it any wonder that an ordinarily intelligent audience of working men listening to the glib denunciations of a syndicalist is just as easily deceived? According to this argument the fact that the owners of the coal mines had not paid \$50,000,000 in wages did not imply that the owners had also lost the \$50,000,000 or a proportionate part thereof. But if the supposition is analysed it is plain that the loss of \$50,000,000 in wages alone must mean that the owners had not only lost the use of that sum but the per centage of profit in addition. Apparently the surmise was that the wages lay in the bank ready to be paid and that because they were not withdrawn therefore they were still there. That the bank would not pay out that sum unless the coal owners deposited it in the bank in the form of coal mined never struck these men. The \$50,000,000 was just cash to them, not coal.

#### Wages Would Not Be Paid.

It is hardly necessary to point out that to withdraw that sum the coal owner would have to deposit with the bank certificates showing that the coal was in transit or mined before the bank could pay the wages, and that if the coal was not mined the wages could not be paid, and that therefore the loss in wages was equally a loss to the coal owners and the community. It may be true that the cash sum was not actually lost as if it had been thrown into the sea because the cash sum advanced for wages would probably be paid back into the various banks by the tradespeople who had taken the same in exchange for goods. The cash thus being nothing but a convenient form of exchange made possible by the credit enjoyed by the capitalist.

The avowed intention of the English syndicalists in the coal strike was to insist on a minimum wage. When that had been gained peace was to be restored until an opportunity arose to strike for a seven hour day. If that were gained without the shareholders of the mines, that is, the owners, shutting down the mines in despair, then the men were to lay down on their work. By this means it was thought the owners would be forced to close the mines and the government, acknowledging the right of men to work, would be forced to open them to the men. The men would then form their own companies to work the mines.

#### A Theory in Practice.

This sounds very nice in theory and perhaps quite feasible. But what would happen in practice?

Obviously the men would not work for less pay or for longer hours for their own company than for the owners. They would refuse to pay their managers any more than they themselves thought fit. The work would be carried on under purely arbitrary conditions. The hewers would demand more wages than the engineers or vice versa. There would be internecine strife and gradually the men would drift away to other and better managed mines where they were assured of so much a week. The cost of labour would be so heavy that the men would be unable to market the coal even if they were able to carry on all the intricate machinery of marketing. They would want a fair division of profit so that in case they desired to move from the district in which they were working they would be able to get cash. Chaos would result, or, under the very best circumstances, the one or two men who had the brains to carry on the mine and force their will on the others by their superior mentality, would gradually come to own the mine. In the final result the men would have exchanged their present owners for others.

Again supposing that today a mine is paying 10 per cent to its shareholders. The capital involved on which the dividend is earned may be put at \$5,000,000. The net profit under present circumstances on the working of the mine is then \$500,000 a year. Supposing that the mine employs 1000 men, a rise in wages of only 50 cents a day would mean \$150,000 a year and one hour a day less work would cost very nearly another \$120,000, that is a total of \$270,000 off the \$500,000 earned under the most favourable circumstances. The sum for dividends left over would now amount to \$230,000, or \$230.00 per man, a nice little sum if everything went on as well